

Message Text

UNCLASSIFIED

PAGE 01 CALGAR 00226 200010Z
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-02 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 PA-02 /140 W
-----088395 200011Z /66

P 192305Z APR 78
FM AMCONSUL CALGARY
TO SECSTATE WASHDC PRIORITY 2385
INFO ZEN RUEHOT/AMEMBASSY OTTAWA PRIORITY 1474
AMCONSUL TORONTO

UNCLAS CALGARY 0226

E.O. 11652: NA
TAGS: ENRG, CA
SUBJ: TRANSCANADA PIPELINES WITHDRAWS FROM ALCAN PROJECT

REF: CALGARY 0191

1. FOOTHILLS PIPE LINES (YUKON) LTD. (ALBERTA GAS TRUNK LINE AND WESTCOAST TRANSMISSION LTD. OF B.C.) AND TRANSCANADA PIPELINES LTD. ISSUED JOINT STATEMENT APRIL 18 ANNOUNCING THAT THE TWO COMPANIES HAD BEEN UNABLE TO AGREE ON TERMS UNDER WHICH TRANSCANADA WOULD ACQUIRE AN INTEREST IN FOOTHILLS PIPE LINES (YUKON), THE CONSORTIUM WHICH PLANS TO BUILD CANADIAN SECTION OF ALASKAN HIGHWAY GAS PIPELINE. TRANSCANADA'S PARTICIPATION IN PROJECT HAD BEEN SPECIFIC RECOMMENDATION OF NEB AND TRANSCANADA WAS TO HAVE HAD: (A) TWENTY PERCENT INTEREST IN FOOTHILLS (YUKON); (B) RESPONSIBILITY FOR CONSTRUCTION AND OPERATION OF SASKATCHEWAN SECTOR OF ALASKAN GAS PIPELINE; AND (C) MAJOR ROLE IN PLANNING FOR DEMPSTER SPUR.

2. SENIOR TRANSCANADA OFFICIAL TOLD CONGEN THAT NEGOTIATIONS HAD BROKEN DOWN WHEN FOOTHILLS INSISTED THAT TRANSCANADA UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CALGAR 00226 200010Z

CEASE EFFORTS TO EXPAND ITS MARKETS IN EASTERN CANADA UNTIL SUCH TIME AS WESTERN LEG OF ALCAN PROJECT HAD BEEN COMPLETED. ADDITIONAL STUMBLING BLOCK WAS FOOTHILLS DOLS 50 MILLION PRICE TAG FOR TWENTY PERCENT TRANSCANADA EQUITY INTEREST. (FOOTHILLS INVESTMENT TO DATE IN ALCAN PROJECT REPORTEDLY AMOUNTS TO DOLS 30 MILLION).

3. COMMENT: TRANSCANADA'S APRIL 5 ANNOUNCEMENT OF PLANS TO EXPAND INTERPROVINCIAL PIPELINE TO TROIS RIVIERES (CALGARY 0191) AND FOOTHILLS DEMAND FOR DOLS 50 MILLION SUGGEST TO US THAT THERE WAS NO SERIOUS EFFORT BY EITHER SIDE TO CONCLUDE AN ALCAN PROJECT PARTICIPATION AGREEMENT. FOOTHILLS WILL NOW TAKE OVER TASK OF BUILDING SASKATCHEWAN PORTION OF THE ALASKAN GAS PIPELINE, AND ARRANGEMENTS WITH ALBERTA NATURAL GAS COMPANY FOR CONSTRUCTION OF BRITISH COLUMBIA SECTION OF ALCAN PROJECT REMAIN INTACT. FOOTHILLS EXECUTIVES HAVE PRIVATELY ALLEGED THAT TRANSCANADA HAS BEEN UNDERCUTTING THEIR EFFORTS TO OBTAIN BACKING OF EASTERN U.S. GAS COMPANIES. THEY STATE, HOWEVER, THAT THEY HAVE MADE ALTERNATE ARRANGEMENTS WITH OTHER U.S. SHIPPERS WHICH WILL PROVIDE NECESSARY FINANCING FOR ALCAN PROJECT. RATTRAY

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MANAGEMENT, NEGOTIATIONS, PIPELINES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CALGAR00226
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780168-0387
Format: TEL
From: CALGARY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780441/aaaabis.i.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: bc928bab-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 CALGARY 191
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2923332
Secure: OPEN
Status: NATIVE
Subject: TRANSCANADA PIPELINES WITHDRAWS FROM ALCAN PROJECT
TAGS: ENRG, CA, TRANSCANADA PIPELINES
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/bc928bab-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014